United Nations A/C.5/64/SR.33

General Assembly
Sixty-fourth session

Official Records

Distr.: General
22 June 2010

Original: English

Fifth Committee

Summary record of the 33rd meeting
Held at Headquarters, New York, on Thursday, 13 May 2010, at 10 a.m.

Chairman: Mr. Rosales Díaz (Vice-Chairman) ..... (Nicaragua)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

Contents

Agenda item 134: Improving the financial situation of the United Nations (*continued*)

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

United Nations Logistics Base at Brindisi

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

10-36156 (E)

Please recycle

The meeting was called to order at 10.15 a.m.

Agenda item 134: Improving the financial situation of the United Nations (*continued*) (A/64/497/Add.1)

1. **The Chairman**, recalling that the Under-Secretary-General for Management had updated the Committee on the current financial situation of the Organization at its 30th meeting, held on 7 May 2010, said that her statement had been issued as a report of the Secretary-General (A/64/497/Add.1).

2. **Mr. Yamazaki** (Controller) said that since 30 April 2010 Croatia, Denmark, Georgia and Tajikistan had fully paid their due and payable assessments, bringing to 26 the number of Member States that had paid their contributions in full. In addition, full payment of due and payable assessments had been received from Turkmenistan and the United Kingdom for the regular budget, international tribunals and capital master plan; from Bahrain for the regular budget and capital master plan; from China for the tribunals and capital master plan; from Bosnia and Herzegovina for the tribunals; and from Iraq and Turkey for the regular budget.

3. **Mr. Al-Shahari** (Yemen), speaking on behalf of the Group of 77 and China, said that, despite the improvement in the financial situation of the United Nations, as at 30 April 2010 there had been a shortfall of $1.06 billion under the regular budget and $1.24 billion in respect of peacekeeping budgets. The Group sympathized with Member States, particularly those from the developing world that had been hit hard by the global financial crisis or natural disasters, but found it unfortunate that about one half of all outstanding payments was owed by a single country. The shortfall struck at the heart of efforts to enhance the Organization's effectiveness and efficiency and might undermine its ability to carry out its mandates. The full, timely and unconditional payment of assessed contributions by Member States was a Charter obligation. Those that had the capacity to settle their arrears should do so in a timely fashion. The Group rejected all unilateral coercive measures contrary to international law that obstructed payments from members of the Group under the Organization's various budgets.

4. It was also a concern that some $750 million had remained owing to troop- and police-contributing countries as at 30 April 2010. Most were developing countries and could not sustain troop commitments and maintain equipment on their own for long periods. Given the sacrifices asked of the peacekeepers in the field, measures must be taken to pay debts to Member States expeditiously.

5. The Group welcomed the Secretariat's establishment of an online portal that would allow Member States to follow up on the status of their budget contributions.

6. **Ms. González Betancort** (Spain), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Azerbaijan, Georgia, Republic of Moldova and Ukraine, said that each Member State had the responsibility to pay its assessed contributions in full, on time and without conditions. Equally, the Organization must use its resources efficiently and effectively, especially given the current global financial crisis.

7. The improvement in the Organization's financial situation relative to the previous financial period, with a lower total of arrears and a stronger cash position, was positive. The European Union welcomed the fact that, as at 31 December 2009, 136 Member States had fully paid their assessed contributions under the regular budget; nevertheless, that was 10 fewer than in the previous period. It was worrying that a total of $1.06 billion had been owed as at 30 April 2010.

8. It was unfortunate that, despite some improvement in unpaid assessments for the budgets for peacekeeping operations, the total outstanding stood at $1.24 billion. The European Union called upon all Member States to pay their assessments so that the Organization could implement its important peacekeeping mandates. The funds in the accounts of closed peacekeeping missions must be returned to Member States in compliance with the Financial Regulations and Rules of the United Nations. The practice of financing the operations of active peacekeeping missions using those funds was unsustainable.

9. Despite the improvement in the financial situation of the international tribunals, it was a matter of concern that assessments of $86 million remained unpaid, as that could hamper the completion strategies

of the tribunals. The European Union remained firmly committed to the capital master plan, in respect of which there had been an outstanding balance of $117 million as at 30 April 2010. Member States must pay their related assessments in order to ensure that it was implemented on time.

10. She welcomed the Secretariat's establishment of an online portal, as a useful tool for accessing up-to-date information on payments of assessments.

11. The significant level of outstanding assessments owing underlined the need for Member States to discharge their financial obligations to the Organization. The European Union, whose members contributed nearly 40 per cent of overall assessments, would continue to stress the need for effective, efficient and transparent use of resources by the Organization as well as the need to distribute financial responsibility for the United Nations more equitably among the Member States.

12. **Ms. Pakarati** (Chile), speaking on behalf of the Rio Group, said that the Organization must have proper financing to implement its mandates. All Member States must discharge their financial obligations, although it was understandable that some countries — in particular developing countries — might find it difficult to pay in full owing to the economic crisis or natural disasters. She commended those States that were up to date in their payments and welcomed the efforts of developing countries to meet their financial obligations despite difficult circumstances.

13. Member States must be given proper avenues for making full and timely payment. The Rio Group therefore condemned any unilateral measure contrary to international law that hindered any member of the Group in paying its assessments.

14. Despite welcome improvements in the Organization's financial situation, she was concerned that substantial arrears remained with respect to the regular and peacekeeping budgets, with over 60 per cent of the total outstanding under all of the Organization's budgets owed by a single Member State, a situation that adversely affected the efficiency and effectiveness of the United Nations and its ability to discharge its mandates.

15. Despite a slight improvement in the status of payments to troop-contributing countries, the situation remained unsatisfactory: payments to several of the Group's members continued to be delayed. Since reimbursements of troop and equipment costs depended on the timely payment of assessments, all Member States must meet their financial obligations in full and on time.

16. She welcomed the significant decrease in the amounts owing under the budgets of the tribunals. With respect to the capital master plan, she urged Member States to continue to support the project to ensure its timely completion; several of the Group's members were doing so, while others had already paid their assessments for the plan in full.

17. Lastly, she welcomed the creation of an online portal through which Member States could receive up-to-date information on their contributions.

18. **Mr. Lafortune** (Canada), speaking also on behalf of Australia and New Zealand, said that the decrease in outstanding assessments compared to 2009 was encouraging. Nevertheless, it was worrying that some 56 countries — close to one third of the membership — had failed to fully meet their financial obligations to the Organization. It was unacceptable that a number of Member States regularly failed to pay their assessed contributions in full, on time and without condition, as required by the Charter. Certainly, some countries must find it difficult to do so in the current global financial environment. Nevertheless, the failure of Member States to pay their assessments penalized those that had paid in full and on time and left troop-contributing countries waiting for reimbursement of costs they had incurred.

19. At a time when Member States were asking the Organization to do more and when the regular and peacekeeping budgets were at record levels, it was necessary to eliminate waste and duplication, redeploy resources and streamline the Organization's administration. In that connection, the Secretariat's new online portal was a welcome tool that would facilitate payments by Member States. He thanked those Member States that were meeting their Charter obligations and implored others to do the same.

20. **Mr. Cabactulan** (Philippines), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that in 2009 the Association's membership had accounted for just over 1 per cent of total assessments under the Organization's regular budget, or some $25 million. Though a modest contribution, it could go a long way towards funding

United Nations activities during hard times. ASEAN members prided themselves on striving to meet their financial obligations despite the financial crisis that had necessitated drastic government cutbacks.

21. The cost of United Nations activities and peacekeeping missions had risen dramatically in recent years and resources were stretched to breaking point. The arrears in payments by Member States threatened to undermine the Organization's effectiveness. Member States must renew their commitment to the Organization and act urgently and responsibly to meet their financial obligations.

22. The Secretariat must seek innovative and cost-effective ways of utilizing the limited resources available and strive for better accountability and delivery of results. The timely submission of financial reports would facilitate the expeditious payment of assessments by Member States. He welcomed the creation of an online portal that allowed Member States to check the status of their assessed contributions.

23. Speaking in his national capacity, he noted that the Philippines would remit payments immediately for the regular budget, tribunals and capital master plan.

24. **Mr. Núñez Mosquera** (Cuba) said that, although the financial situation of the Organization had improved slightly, it was significant that most of the arrears under United Nations budgets continued to be owed by a single Member State. At a time when the Committee was about to discuss efficiency measures for the delivery of peacekeeping mandates, the payment of all outstanding amounts would ease concerns about reimbursements to troop-contributing countries and cross-borrowing between missions and would allow Member States to make proper decisions about closed missions.

25. Member States must meet their financial obligations fully, on time and without conditions. Cuba maintained its firm commitment to multilateralism in spite of the obstacles it faced as a developing country in an unjust international economic order. Despite the hindrances created by the illegal United States economic embargo and the financial crisis caused by the irresponsible actions of others, Cuba was up to date with its payments for peacekeeping operations and the capital master plan and had paid half of its assessment under the regular budget. Making payment was difficult because Cuba could not use the United States dollar and had to conduct transactions through third parties.

26. While his delegation recognized the importance of peacekeeping operations in helping countries to achieve social stability, United Nations peacekeeping activities were too expensive, and could be better managed to reduce their impact on other areas that were equally important to developing countries. The large sums spent on peacekeeping and special political missions were not a matter for self-congratulation but a sign that something was amiss in the development process that the international community was incapable of addressing. Many problems could be solved with just a fraction of the world's military spending, almost half of which was attributable to a single country. The best guarantee of peace and security would be to eradicate poverty and social marginalization and ensure the right to development. It was therefore crucial to strengthen the development pillar of the United Nations.

27. He welcomed the establishment of an online portal allowing Member States to access information on the status of contributions: political support for the United Nations must also be expressed through the fulfilment of financial obligations.

28. **Mr. Sugiyama** (Japan) said that his Government had redoubled its efforts to pay its assessed contributions for peacekeeping operations earlier than ever. He welcomed the improved financial situation, with unpaid assessments under the Organization's various budgets lower as at 30 April 2010 than a year earlier, even though assessments under the regular and peacekeeping budgets had been much higher than in previous years. Given the great efforts by Member States to pay their assessed contributions, he urged the Secretariat to improve accountability and to use resources more efficiently and effectively than ever.

29. His delegation was concerned by the Under-Secretary-General's statement that $194 million in the accounts of closed peacekeeping operations would be available for possible cross-borrowing for other accounts. Cross-borrowing should be an exceptional measure to deal with cash shortfalls in active peacekeeping operations; the cash in closed peacekeeping accounts should not be considered an easy source for cross-borrowing for other accounts.

30. **Mr. Prokhorov** (Russian Federation) said that, while the financial situation of the United Nations

showed some signs of improvement, it was as yet insufficiently stable. It was encouraging that unpaid assessments under all budgets had been lower as at 30 April 2010. He welcomed the reduction in the Organization's debt to troop-contributing countries by $169 million compared to the previous year, but noted that the problem had not been entirely resolved.

31. The number of countries that had paid their assessments in full had risen, so that most of the unpaid amounts were owed by a small group of countries. A failure by Member States to meet their financial obligations to the Organization could have a negative effect on its activities. It was unfortunate that some peacekeeping missions continued to suffer from cash shortages.

32. Member States, having assumed the associated financial burden, expected the Secretariat to conduct proper financial planning in order to realistically estimate the resources required to discharge the Organization's mandates.

33. The Russian Federation welcomed the new online portal designed to provide current information on contributions; it would assist permanent missions in their day-to-day work. Member States must fulfil their Charter obligations and pay assessed contributions unconditionally. He trusted that States in arrears would make every effort to pay their outstanding assessments, thus allowing the Organization to respond more firmly to new challenges and threats and implement mandated activities.

34. **Mr. Lim** (Singapore) said that the decrease in unpaid assessments under all budget categories was encouraging. He applauded the efforts of Member States to pay their contributions to the United Nations on time, particularly when many were facing difficulties owing to the global financial crisis, and commended the major contributors for reducing their unpaid assessments. Still, Member States should not congratulate themselves for partially closing the arrears gap when no such gap should have existed in the first place. All Member States, and especially the major contributors, must ensure the timely and predictable financing of the Organization.

35. The Secretariat must reciprocate by improving efficiency and accountability in the use of resources and the delivery of results. With all Member States under financial pressure, the Secretariat must ensure value for money. The growth in the United Nations budget necessitated even greater prudence and discipline, together with greater transparency in the decision-making process that led to the establishment of mandates.

Agenda item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

United Nations Logistics Base at Brindisi
(A/64/575, A/64/660/Add.12 and A/64/698)

36. **Mr. Yamazaki** (Controller), introducing the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2008 to 30 June 2009 (A/64/575), said that expenditure for that period had amounted to $44,336,700. The approved budget for the period amounted to $45,769,000, leading to an unencumbered balance of $1,432,300 and a utilization rate of 96.9 per cent. The decrease in resource requirements had resulted from lower requirements for national staff and general temporary assistance, partially offset by additional requirements for international staff owing to a lower actual vacancy rate.

37. The actions to be taken by the General Assembly were set out in paragraph 29 of the performance report.

38. The proposed budget of the Logistics Base for the period from 1 July 2010 to 30 June 2011 (A/64/698) was $72,017,800, which was 24.3 per cent higher than the resources approved for 2009/10, reflecting an increase in staffing, mainly to strengthen the Standing Police Capacity, establish a Justice and Corrections Standing Capacity and relocate the Field Central Review Board secretariat; additional requirements for construction services to create equipment room and office space for Communications and Information Technology Services and the data centre and network communications centre and to upgrade the electrical system at the Logistics Base; and additional requirements to acquire communications and information technology equipment for the secondary telecommunications facility at Valencia.

39. The actions to be taken by the General Assembly were set out in paragraph 95 of the budget report.

40. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/64/660/Add.12), said that the

Secretary-General had proposed to reprofile the United Nations Logistics Base as the global service centre for the field under the global field support strategy, with the United Nations Support Base at Valencia continuing to serve as a communications hub for field operations; the Support Base was also proposed as a secondary active site for disaster recovery. Plans in that connection would be presented to the Assembly in the context of the Logistics Base budget proposal for the 2011/12 period. The initial comments of the Advisory Committee were contained in its general report on peacekeeping operations (A/64/660). The Advisory Committee recommended that a number of proposals should be deferred until a detailed proposal was made on the reprofiling of the Logistics Base, including the request for a D-1 post of Deputy Director, the relocation of the Field Central Review Board secretariat and the amalgamation of four tenant units into the Logistics Base's existing functions. The Advisory Committee had deferred its consideration of the proposed changes to the structure and functions of the tenant units, including strengthening of the Standing Police Capacity and establishing a Justice and Corrections Standing Capacity, pending a decision by the General Assembly on the matter and any subsequent proposals of the Secretary-General. The Advisory Committee recommended approval of 14 new posts to strengthen the Standing Police Capacity.

41. The Advisory Committee again recommended that a review of the management and acquisition planning process relating to strategic deployment stocks should be undertaken to ensure that proper and efficient management was adhered to and adequate safeguards were in place to prevent waste and financial loss to the Organization. Regardless of the outcome of the discussions on the proposed global field support strategy, there was a need for change in the overall management of strategic deployment stocks.

42. **Mr. Yamada** (Japan) said that backstopping functions for peacekeeping operations should be viewed comprehensively. When making proposals to transfer functions from Headquarters to the Logistics Base, the Secretariat should explain how such functions would maintain their integrity. His delegation concurred with the Advisory Committee that the way in which proposals were presented made it difficult to grasp the full picture regarding resource requirements. As with the support account, the utmost prudence must be exercised in determining the resources to be allocated to the Logistics Base as an essential component in backstopping peacekeeping operations.

The meeting rose at 11.15 a.m.